

The complaint

Mr W complains that esure Insurance Limited trading as Sheilas' Wheels is responsible for mishandling his claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a car, first registered in 2017. Mr W acquired the car in about 2017.

For the year from December 2019, Mr W had the car insured on a comprehensive policy with esure. The cost was about £737.00 including "Motoring Legal Protection" ("MLP").

Any claim for damage (except a windscreen claim) was subject to a compulsory excess of £400.00 plus a voluntary excess of £250.00 plus another excess of £200.00 if Mr W had repair work done by his own repairer.

Unfortunately, Mr W reported that in September 2020, a third party driver had accidentally damaged the front of the car.

Mr W had the car repaired by his own repairer. Mr W paid excesses totalling £850.00.

For the year from December 2020, Mr W and esure renewed the policy. The cost was about £890.00 including MLP.

For the year from December 2021, Mr W didn't renew the policy.

By mid-April 2024, Mr W had complained to esure about delay in recovery against the third party.

By a final response dated 16 April 2024, esure accepted Mr W's complaint and said it was sending him £125.00.

In mid-May 2024, esure said that it was sending Mr W a replacement cheque for the £125.00, plus an additional £75.00 (a total of £200.00).

Mr W brought his complaint to us in late June 2024. He asked us to direct esure to settle his claim and use his MLP to recover his excess.

Our investigator in late October 2024 recommended that the complaint should be upheld in part. He thought that the time taken to deal with the claim was excessive. He recommended that esure should:

1. pay Mr W an additional £300.00 compensation for the delay; and
2. when the claim is finally closed, recalculate Mr W's premiums and if a refund is due pay it with 8% interest from September 2021.

esure provided further information. It said that when it renewed the policy in December 2020, it recorded that the claim was non fault with a “recovery made”, even though that wasn’t the case at the time.

Our investigator in late November 2024 changed his recommendation. He thought that a fairer outcome would be for esure to refund the excess of £650.00. He thought that esure had been waiting on information from the DVLA until 7 September 2021. He thought it’d be fair for esure to add interest – starting six months from this date. He recommended that esure should:

1. pay Mr W £300.00 for the delays; and
2. refund his £650.00 excess; and
3. pay 8% simple annual interest on the refunded excess from 8 March 2022.

Our investigator in late December 2024 confirmed the recommendation he’d made in late November 2024.

esure disagreed with the investigator’s opinion in part. It says, in summary, that:

- The third party disputes the claim.
- So esure shouldn’t have to reimburse the excess.

The investigator asked for an ombudsman to review the complaint.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

The third party denied that his vehicle had made contact with Mr W’s car.

However, from its claim notes, I’m far from satisfied that esure progressed the claim as diligently as it should’ve done after September 2021.

I accept that in about April 2024, solicitors issued court proceedings against the third party, seeking to recover both esure’s outlay and Mr W’s uninsured excess. It is surprising and disappointing that – throughout our investigation - esure hasn’t provided us with any update on those proceedings. I infer that esure has lost track of those proceedings.

I keep in mind that Mr W had paid for the optional extra of MLP. I don’t consider that esure has treated Mr W fairly. And I find it likely that esure’s delay has damaged its and Mr W’s prospects of success in the proceedings.

Putting things right

So I’ve thought about what it’s fair and reasonable to direct esure to do to try to put things right at this late stage.

I’ve come to the conclusion that the fairest outcome is for esure to refund Mr W for the compulsory and voluntary excesses totalling £650.00 (but not for the extra excess he paid as a result of his choice to use his own repairer). As I’ve seen so much unexplained delay after

September 2021, I find it fair and reasonable to direct esure to add simple interest at our usual rate from a date six months later - 8 March 2022.

Also, I've thought about the non-financial impact on Mr W. I find that he has had to chase esure for progress and updates. And he has felt ignored by esure. That impact has affected Mr W for several years. I conclude that it's fair and reasonable to direct esure to pay Mr W, in addition to the total of £200.00 already paid, a further £300.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct esure Insurance Limited trading as Sheilas' Wheels to pay Mr W:

1. in addition to the total of £200.00 already paid, £300.00 for distress and inconvenience; and
2. £650.00 in refund of excess; and
3. simple interest at a yearly rate of 8% on the £650.00 from 8 March 2022 to the date of its refund. If esure considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr W how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 March 2025.

Christopher Gilbert

Ombudsman